

Acting RA Talking Points
IOGCC Annual Conference
Monday – November 8, 2021

Introduction

- Good morning everyone.
- I'm glad to be here with you this morning.
- So first, let me thank the IOGCC for inviting me to speak.
- IOGCC has always been an important organization for the collaborative efforts with our partners that Region 6 values.
- The Annual Conference is a great forum where we can listen to State and industry and exchange ideas.
- It is also a place where we can reaffirm our collaborative efforts.

EPA Priorities

- Now, a lot has happened since last we met.
- We have new priorities from a new Administration and a new EPA Administrator.
- We are emphasizing environmental justice as an integral part of EPA's daily work. We are implementing Justice40 initiatives and considering environmental justice in all our programs.
- State and federal partnerships have never been more important. And we recognize that EPA's partnerships with the states are the cornerstones of achieving our priorities.
- As in so many of our programs, our partnerships and collaborations with states are instrumental in accomplishing our programmatic goals. Seeking input and collaboration from states is instrumental in this process.
- IOGCC has always been a great forum to engage with our partners.
- So not only is it great being here to speak to the IOGCC, but it's an honor to share the stage with our great state leaders and partners like Chairman Christian, Deputy Secretary Leahy, Secretary Wagner, Governor Stitt, Legislative Director Chambers, and Director Tryon. (Sen Lujan possible)

Relationship with IOGCC

- A hallmark of EPA's relationship with IOGCC is the ability to partner and address goals from different perspectives that result in combined success.
- This partnership is affirmed by the 2019 Memorandum of Understanding between EPA and IOGCC.
- The 2019 MOU laid out important objectives that we continuously work on like:
 - improving communication between the states and EPA,
 - and fostering environmental protection based on mutual understanding of each other's missions, responsibilities, and authorities.
- I want to thank the IOGCC for continuing to work with us on the EPA-IOGCC Task Force.
- I know we are all still waiting for the task force appointments.
- The task force appointments are one of my priorities, and whenever I meet with senior leadership at EPA, I stress the importance of having these appointments.

Orphaned and Abandoned Wells

- IOGCC and EPA have worked together towards common goals. One such instance is with orphaned and abandoned wells.
- I want to thank the IOGCC for continuing to emphasize the importance of addressing orphaned and abandoned wells which echos our efforts to address these wells' environmental impacts.
- Improperly plugged or unplugged wells can affect ground and surface water qualities.
- In areas such as New Mexico, where we are gathered today, protecting already limited water resources is of paramount importance. With effective partnerships, we can continue to protect these natural resources.

EPA Proposed Methane Rule

- Another area where orphaned and abandoned wells can impact the environment is the methane emissions from these wells.
- EPA is acting on methane.
- The President issued an Executive Order that asked EPA to review all rules from the previous administration to ensure they're consistent with science, adhere to the law, and protect public health and the climate.
- EPA's oil and natural gas regulations are at the top of the list of rules to be reviewed as part of the President's Executive Order.
- Executive order 13990 directs EPA to propose new regulations to establish comprehensive standards of performance and emission guidelines for methane and volatile organic compound emissions from existing operations in the oil and gas sector, including the exploration and production, transmission, processing, and storage segments, by September 2021.
- Addressing emissions of methane and volatile organic compounds from existing sources is something we haven't done at the nationwide level before.
- As we develop this proposal, we're reaching out to our partners and stakeholders, including all of you, on how best to reduce emissions, to encourage deployment of innovative technologies to measure methane, and to develop a rule that works well with existing state regulatory programs, like those in New Mexico and Colorado.
- The opinions of IOGCC members are important to this proposal process so I encourage you to submit comments and concerns.
- EPA plans to hold public meetings on the proposed rules, much like last time, and we'll announce those meetings once they are set.
- We are also reaching out to NGOs and environmental groups, and other stakeholders.
- By seeking contributions from many stakeholders, EPA's goal is to have a rulemaking process that comprehensively considers issues presented.

Recognize New Mexico's Methane Efforts

- As we work on the methane rule, a few of our states have taken the lead in addressing methane emissions. New Mexico is one of the states in the forefront of regulating methane emissions. I want to take a moment to recognize the efforts of Governor Lujan Grisham, Senator Lujan, and the other leaders of New Mexico in leading the way on curbing methane emissions.
- The New Mexico Oil Conservation Commission established rules on venting and flaring of natural gas earlier this year.
- These rules prohibit venting or flaring of natural gas during drilling, completion, or production operations that constitutes waste and emphasize a general duty to maximize the recovery of natural gas by minimizing the waste of natural gas through venting and flaring.
- The new regulations also implemented performance standards as well as requirements to estimate and report gas lost to venting and flaring.
- These new rules are good examples of addressing the environmental impacts of methane emissions and play important roles in our goal of prevent more climate impacts.
- ADD NMED Ozone bullets

Ex. 5 AC/DP

Oil and Gas Flaring Flyover Enforcement

- As New Mexico addressed methane emissions with new regulations, EPA Region 6 is also continuing our helicopter flyover enforcement.
- We have been using helicopters equipped with Optical Gas Imaging video cameras to survey large areas of oil and gas activity since 2013 as part of our monitoring of hydrocarbon emissions.
- Partnering with state environmental regulators in Texas, New Mexico, and Oklahoma, Region 6 has deployed helicopter flyovers in the Eagle Ford Shales, the Permian Basin, the San Juan Basin, and the Anadarko Basin to identify potential noncompliance with the Clean Air Act.
- The goal of these flyovers is to identify unlit flares and leaks from tanks and equipment and then to promptly return oil and gas facilities to compliance.
- This approach allows us to monitor thousands of sources while maximizing resources.
- In just the last two flyovers in 2019 and 2020, we were able to survey over 33,000 flares, tanks, and other sources.
- By coordinating and partnering with the NMED and TCEQ, Region 6 conducted helicopter flyovers of oil and gas sites in the Permian Basin in Texas and New Mexico in 2019 and again in 2020.
- EPA's contractor identified 384 significant leaks at oil and gas sites in 2019 and 945 significant leaks in 2020.
- EPA concluded 29 administrative settlements for the 2019 flyover sites—18 in Texas and 11 in New Mexico.
- The settlements required companies to inspect facilities, take steps to improve operations and maintenance, and in some cases, conduct engineering assessments to determine appropriate corrective actions.
- Companies operating without permit authorization also paid penalties.
- We are currently addressing emissions identified during the 2020 flyovers.

Ex. 5 AC/DP

- To date, the flyover settlements in Region 6 have resulted in estimated reductions of over 29 million pounds of VOC emissions and over 440 thousand pounds of hydrogen sulfide emissions.

Carbon Sequestration Projects

- The last topic I'll touch on briefly is the increased interest in Class VI geo-sequestration projects due to the IRS 45Q tax credits.
- There are currently two approved projects in the nation.
- To date, Region 6 has had over 70 Class VI project contacts.
- As interests increase, we here in Region 6 are working through issues for Class VI wells as they present themselves.
- Issues such as the effects of Class VI wells on other classes of UIC wells will need to be discussed and understood.
- A Class VI well permit is revised interactively in multiple stages throughout the life of a Class VI project, beginning with a permit to construct the well and ending with a permit revision for post site injection closure.
- So Class VI sequestration operations could impact existing Class I hazardous injection wells, Class II disposal wells, Class V aquifer storage and recovery wells, and interfere with oil and gas production operations in the future.
- Permitting authority primacy is another issue that will need to be addressed to ensure coordination on Class VI wells.
- For example, Texas has its own Class VI state rules which would require dual permits for Class VI projects until it receives primacy.
- Louisiana has submitted a primacy application to R6 and Texas is in the pre-application phase.
- An important part of the primacy discussion will be the availability of technical resources and expertise to evaluate these permits.
- Despite these issues, I am confident we will be able to find solutions by engaging our partners here at IOGCC.

Conclusion

- I'll end my remarks today by restating my strong belief in the importance of EPA continuing to work in partnership with IOGCC and its members now and in the future.
- I've always been an advocate of engaging with our state partners, regulators, the regulated community, community groups, and other stakeholders.
- Our continuous engagement is invaluable as we face old and new issues in the oil and gas industry.
- On that note, I will make a plug for an engagement opportunity.
- On November 17, EPA is holding a stakeholder webinar on EPA's GHG data for natural gas and petroleum systems from GHG Inventory and the Greenhouse Gas Reporting Program.
- The webinar will be on the GHG Inventory and the Greenhouse Gas Reporting Program data and on existing GHG Inventory methods and updates under consideration.
- Stakeholders are invited to present on new data and information relevant to estimating GHG emissions from natural gas systems and petroleum systems.

- This is a great opportunity for the issues important to the IOGCC to be heard, I encourage everyone to take this opportunity.
- So, as I look out on many familiar faces today, I look forward to our continuing partnerships.
- I am glad to have had this time with you. Thank you for being here.